

MEMORANDUM..... New Jersey Housing and Mortgage Finance Agency

February 22, 2022

Multifamily Operating Expense Minimums

Management Fee-

(Increased by the Agency based on current CPI Index):

\$57 - \$73 per unit per month (Updated 2/22/2022)

Insurance- NO CHANGE

- 2 Stories and below- \$500 per unit & 3 Stories and above - \$550 per unit

Reserve for Repairs and Replacement- NO CHANGE

- Under fifty (50) units for *rehabilitation or new construction* at five hundred twenty-five (**\$525**) per unit.
- Projects of fifty (50) units or more at four hundred forty (**\$440**) per unit for *family new construction*.
- Projects of fifty (50) units or more at three hundred ninety (**\$390**) per unit for *senior new construction*.
- Projects of fifty (50) units or more at four hundred forty (**\$440**) per unit for *senior rehabilitation*.
- Projects of fifty (50) units for more at four hundred ninety (**\$490**) per unit for *family rehabilitation*.

Administrative Expenses-

- Auditing- Cannot exceed the "base fee" which is **\$13,255**. **NO CHANGE**
- Bookkeeping/Accounting & Computer Charges- are applicable to the preparation of Monthly/Quarterly Operation Reports and when combined, cannot exceed **\$7.29** per unit per month, but not to exceed **\$1,120** per month.

Salaries and Related Charges- NO CHANGE

- Developments of 50 or more units should have a Site Manager and at a minimum a Superintendent.
Benefits and Payroll estimates:
- Benefits – Between 15% and 30% of the total salaries
- Payroll Taxes – at 10% of the total salaries
- Worker's Compensation- between 2% and 3% of the total salaries